GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:1380
ANSWERED ON:27.11.2002
LOANS TO SSI BY BANKS
Y.G. MAHAJAN

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) the amount of loan provided by the banks to the small scale industries during rthe last three years alongwith State-wise details thereof;

(b) whether the Government are contemplating to reduce interest on loans to be provided to the small scale industries; and

(c) if not, the reasons therefor?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES, MINISTER OI IN THE DEPARTMENT OF PERSONNEL AND TRAINING,DEPARTMENT OF PENSIONS AND PENSIONERS` WELFA THE MINISTRY OF PERSONNEL,PUBLIC GRIEVANCES AND PENSIONS, MINISTER OF STATE IN THE MINISTRY PLANNING AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SMT. VASUNDHARA RAJE)

(a): As per the latest available data from the Reserve Bank of India (RBI), the loans outstanding in the books of Scheduled Commercial Banks against Small Scale Industries State-wise for the years ended March, 1999, 2000 and 2001 is given at Annexure.

(b) & (c): After deregulation of the interest rates regime, the interest rates have come down. As per extant guidelines of RBI, the banks have freedom to fix prime lending rates (PLRs) and the maximum band over the PLR.The interest rates on loans upto Rs. 2 lakhs should not exceed the PLR.The banks have been advised to accord Small Scale Industries (SSI) units with good track record the benefit of lower spreads over the PLR.